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ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

May 19, 2017

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REST Docket No. E-00000Q-16-0289

Dear Commissioners, Stakeholders, and Interested Parties,

On August 22, 2016, I requested that a docket be opened to commence an examination into the modernization and expansion of the Arizona Renewable Energy Standard and Tariff (REST). Following the docket being opened, on September 14, 2016, I submitted a letter detailing a series of fourteen specific questions that I believed would merit consideration. In addition, I posed a series of specific questions regarding consideration of possible amendment, addition or elimination of particular sections of the REST rules. An additional issue was added by way of my letter dated November 1, 2016, asking that stakeholders address the impact of waiving the REST requirement that distributed generation be located at a customer's premises.

The focus of my inquiry has been to determine possible revisions to the REST that would appropriately reflect changes that have occurred in all the industries that impact or are impacted by renewable energy in the State of Arizona. More specifically, the inquiry focused on the size of the requirement on utilities, questions related to technology carve-out, i.e. distributed generation (DG), the manner of accounting for renewable energy production, i.e., renewable energy credits, net metering, specific energy production that should or should not be defined as renewable and potential changes to arguably outdated provisions in the rules.

The response to the inquiry was substantial. More than twenty parties submitted comments addressing a wide range of views on the issues presented. A number of parties noted that a fuller consideration of relevant changes could only occur after the Commission issued a decision in our Value and Cost of Distributed Generation Docket, No. E-00000J-14-0023. Additionally, a number of parties recognized the potential impact and relevance of considering possible changes to our Net Metering rules.

On January 3, 2017, the Commission issued Decision No. 75859, resolving the Value and Cost of Distributed Generation docket. That decision was amended by Decision No. 75932. Among the requirements imposed by Decision No. 75859 is a requirement that Staff submit a report regarding potential rulemaking related to net metering within 60 days from the date the Commission issues its decision in the pending Arizona Public Service Company (APS) rate case, Docket Nos. E-01345A-16-0036 and E-01345A-16-0123. Hearings on the APS rate case concluded recently and a Commission decision should be anticipated in the not too distant future.

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In order to facilitate a fuller consideration of issues raised by this docket, I have concluded that the wiser course of action is to defer the currently scheduled workshop until such a time as the workshop can include considerations related to Staff's report on net metering. This will also allow the inclusion of net metering issues. Since the precise timing of a Commission decision on the APS rate case remains uncertain, I am canceling the currently scheduled workshop on June 7th, to be re-scheduled as soon as practicable following issuance of the Staff report on net metering.

While I am reluctantly postponing this workshop, I note that the Commission has recently scheduled a series of workshops on issues related to the water industry. The Staff commitment to supporting these workshops will likely be substantial. It is my opinion that these workshops have a sense of urgency about them that dictates that they should take place as scheduled. Delaying the REST workshop will have the benefit of freeing Staff time to devote to the pressing water industry issues identified by Commissioners Tobin and Dunn.

Sincerely,

A handwritten signature in black ink, appearing to read 'DL', with a long horizontal flourish extending to the right.

Doug Little
Commissioner
Arizona Corporation Commission



On this 18th day of May, 2017, the foregoing document was filed with Docket Control as a Correspondence from Commissioner Doug Little, and copies of the foregoing were mailed on behalf of Commissioner Little to the following who have not consented to email service. On this date or as soon as possible thereafter, the Commission's eDocket program will automatically email a link to the foregoing to the following who have consented to email service. **E-00000Q-16-0289**

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By: Andrea Gaston Date 5-19-17

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